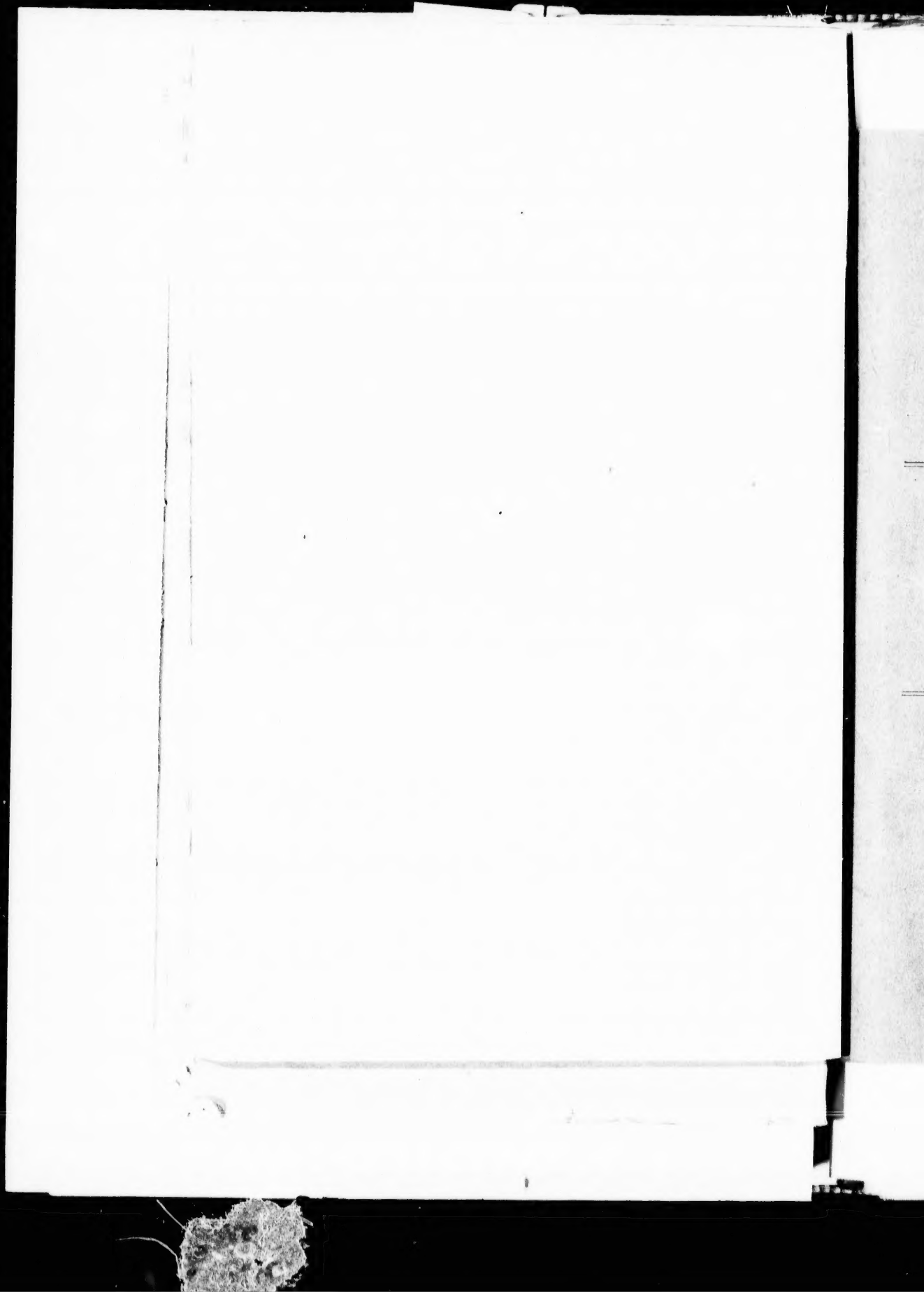




Next

CORRESPONDENCE

BETWEEN

MR. C. J. BRYDGES

AND

MR. RICHARD POTTER.

1875

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MONTREAL, 14th August, 1875.

Mr. POTTER, the President of the Grand Trunk Co., at the meeting of the Shareholders of his Company in England on the 29th April last, made an unprovoked attack upon me, when I was not there to defend myself.

In consequence of this, a correspondence has passed between us, which in justice to myself I have printed in the following pages.

It is not the first instance, in the history of Canadian Railway Companies, of all credit being taken in England for any success that arises, and of all blame, when any difficulty occurs, being thrown upon the executive in Canada.

It is so easy to attack the absent, when they have no opportunity for immediate reply.

C. J. BRYDGES.

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No. I.

MONTREAL, 28th May, 1875.

MY DEAR SIR,

I duly received your letter of the 14th ult., in which you were good enough to say that you heartily thanked me "for the good turn which you did us at Ottawa in giving evidence before the International Bridge Committee. Under actual circumstances it would not be becoming to say more, but I trust I may have the opportunity some day of reciprocating your kindness."

I simply did in that matter what I shall always be ready cheerfully to do if the opportunity offers. But I confess to being somewhat surprised, after the receipt of your letter, in reading the report in the papers of your speech at the Grand Trunk Meeting on the 29th ult. To-day I have received the official report of the meeting issued by your Company and therefore a revised report of what you said.

I find at page 10 you stated that, when you dealt with the question of the cost of change of gauge, you were under the impression that the cost would be £650,000, which was the estimate you received from me; that estimate proved to be less than the actual fact, and that, although you thought it unkind to speak about it in my absence, you did not hesitate, publicly, to throw the whole blame of the increased cost upon my absent shoulders. Later in the meeting you appear to have

regretted having made this attack upon me in my absence, and therefore unable to defend myself. I must now remind you of the real facts of the case.

The change of gauge first made was that between Buffalo and Detroit, and the estimates for it were made by you, with myself and Mr. Grant in Montreal, with the officers of the Company all present and fully discussing the question.

At the same time, and with the same parties present, the cost of the changing the gauge to Portland was also discussed very fully. It was proposed to do it in three operations, the first to Belleville, the next to Montreal, and the third to Portland.

The figures for this were settled upon, and agreed to by you, by myself and all the officers, and a memorandum drawn up, dated 11th Oct., 1872, covering the question of change of gauge, and the sums necessary to complete the steeling of the line, provide further rolling stock, &c. You took that paper containing the detailed statements of the different departments, with you to England, and then had it revised and printed. Half of it you published to the Shareholders, but the other part you cancelled, because, as you informed me, you could not get the Board to face the outlay for changing the gauge further east than Stratford. The matter dropped, but in the meantime it was discovered that an error had been made in adding some of the figures, which escaped your observation, mine, and that of all the officers on both sides of the Atlantic, but, as the matter was for the time abandoned, nothing was done about revising the figures.

A few months afterwards Mr. McEwen's scheme was launched suddenly, and almost as suddenly adopted by the Board and Shareholders. It proposed to do by one operation what it had previously been designed to do in

three or four, and required a totally different mode, and a more expensive one, of doing the work. In the interval, also, the price of engines, cars, &c., had materially advanced. As soon as this new plan reached me, I called the responsible officers together, and fully discussed with them the process to be adopted in the new and rapid plan. They gave me their views and figures, which I embodied into a general statement, and forwarded to you by the earliest possible mail.

It reached you about the time of the meeting of the 22nd March, 1873, at which Mr. McEwen's proposal was adopted. But, with the knowledge that an error had been made in adding up the total cost, and that the changed and quickened plan would involve a larger cost than had been supposed, you told the Shareholders that the cost would be at the figure settled by yourself at the council of officers in Montreal, in Oct., 1872, and taken by you to London and fully revised and discussed there.

I must ask you to refer for proof of what I say to your own revised speech at the meeting on the 28th Nov., 1872, where you said that you and Mr. Allport had agreed that it was necessary to change the gauge to Montreal, and "after a good deal of elaborate care as to the whole cost of that, we found it would amount to nearly £430,000 to change the gauge in two years—the first section from Stratford to Belleville in 1873 or '74 and the second from Belleville to Montreal in '74 or '75..

The cost of changing to Portland was, I think, put down at a further £200,000, and it was in that, that the error in addition was made, which none of us, yourself included, after a "good deal of elaborate care" found out for some time.

You have, therefore, in my absence, and when you knew that I was not present to reply, thought it right to

make an unnecessary attack upon me—to ignore the knowledge which you had of the real figures, but which you wrote me at the time, you were afraid to divulge, lest it should shipwreck your plans—to pander to what you thought would be palatable to some of the Shareholders and to unsay all that you had publicly stated as your opinion of me during the previous 5 or 6 years, and to gain a little temporary popularity by attacking an absent man. I regret, after the years which we worked together with cordiality, that you should adopt this singular method of "reciprocating" what you called the "good turn" I did your Company.

I am,

My dear sir,

Yours very truly,

(Signed,) C. J. BRYDGES.

RICHARD POTTER, Esq.,

President G. T. R. Co.

LONDON.

No. 2.

OFFICES OF THE GRAND TRUNK RAILWAY COMPANY OF CANADA,

21 *Old Broad Street*,

LONDON, E. C., *June 18th, 1875.*

MY DEAR SIR,

Your letter of the 28th May reached me in due course about ten days ago. Pressure of business and somewhat feeble health have delayed my reply.

Though I regretted at the time, and do now regret, that the necessities of our position with our Shareholders

forced me at the last meeting to explain the circumstances under which the change of gauge miscalculation had arisen, I am bound to tell you that my recollection of those circumstances differs materially from yours, and fully supports in all respects the statement I made at the meeting.

In the programme, as settled at Montreal in the month of September, 1872, by myself, you, Mr. Hickson and the officers, before we undertook our Intercolonial trip, there was no question and there was no calculation as to the cost of changing the gauge from Stratford to Montreal and Portland.

When you and I parted at Portland after our Intercolonial journey, it was agreed between us that you should supplement our programme and bring with you to New York a calculation estimating the cost of the change of gauge from Stratford to Portland.

To what extent you discussed with Mr. Hickson and your officers the details of that memorandum, I cannot speak with absolute confidence, only what I do know positively is that the figures were to some extent based upon a letter addressed to you by Mr. Eaton, the Locomotive Superintendent, and both Mr. Hickson and Mr. Wallis have told me since that there was no discussion with them upon Mr. Eaton's figures.

I took your report and calculation with me to London, not as a part of the programme we had discussed and adopted together in September, at Montreal, but as an addition and supplement to that programme, which it would be worth while for us, in London, to consider, dependent of course upon our financial ability to tackle it after my return. A very short consultation was sufficient to satisfy us that it was entirely beyond our financial power to add the further change of gauge

between Stratford, Montreal, and Portland to the programme agreed upon in council with yourself and other officers at Montreal before our Intercolonial trip.

This resolution of the Board was communicated to you immediately after the discussion and determination of the Board.

After you received our determination you urged in various letters throughout the months of December, January and February the absolute necessity of our tackling the change of gauge as far as Portland; in truth you gave us to understand that the expense and loss consequent upon the break of gauge at Stratford was all but intolerable.

In one of these letters written in the early part of the year 1873, some time before Mr. McEwen produced his scheme, you urged in very powerful language the necessity of our attempting to change the gauge and preparing for it, and you stated that to make the change throughout at one move instead of by sections, as in your scheme and calculation, would cheapen the process and lessen the cost.

When I settled the terms of the sale of the new issue with Baron Grant and Mr. McEwen the situation was as I have described it, and I did not receive the corrected estimates, showing an excess of expenditure of about £350,000 over the figures which you brought with you in print from Montreal and gave me at New York, till it was too late to change our programme of the new issue.

We had sold the stock to Grant and McEwen, although the Shareholders had not approved the contract at the time I received the revised estimates from you. But I could not in the first instance bring myself to believe that your first calculation was so unreliable.

Some of my letters addressed to you at the time convey a strong feeling of surprise, vexation and rebuke for the error of miscalculation.

I am under the impression, which your letter of the 28th ult. has not in any way shaken, that my statement at the meeting the other day was entirely justified in every respect by the facts as they occurred, but again I say to you that I regret much that the occasion made it absolutely necessary to make that statement.

Sincerely yours,

(Signed,) RICHARD POTTER.

C. J. BRYDGES, Esq.

No. 3.

MONTREAL, 9th July, 1875.

MY DEAR SIR,

I am in receipt of your letter of the 18th ult., in reply to the one which I addressed to you on the 28th May.

I regret to hear that you have been so unwell.

You state that you "regretted at the time, and do now regret that the necessities of (your) position with your Shareholders, forced you at the last meeting to explain the circumstances under which the change of gauge miscalculation had arisen, &c." I understand this to mean that you endeavoured to meet an attack upon yourself by throwing blame upon an absent man, who was not present to defend himself. I should have been very sorry to have acted towards you in any such manner. I entirely disagree with your recollection of the facts, and repeat distinctly every thing I said in my former letter.

But you, yourself supply a perfect answer to your

own unprovoked attack upon me in your speech on the 29th April last.

That attack was based upon the statement that I had made up estimates without consulting the officers of the Company, and that, if I had done so, mistakes would not have occurred.

You now state that in finally settling the matters that had been under discussion, we had before us a statement of the cost of changing the cars, based, (using your own language), upon a letter addressed to me by Mr. Eaton, the Locomotive Superintendent. This, therefore, entirely disproves your statement at the meeting, that I prepared figures for you without consulting the responsible officers of the Company. Your own letter, now before me, distinctly states that I supplied you with an official opinion from the head of the Department responsible for the work. To have asked Mr. Wallis, Mr. Eaton's subordinate, to revise the figures of his chief, would have been an extraordinary proceeding.

That I also gave you Mr. Hannaford's, the Chief engineer, statement of the cost of his part of the work I am sure you will not deny.

I treated Mr. Hannaford precisely as I did Mr. Eaton—I did not ask their subordinates to revise the official figures as given by the chiefs of each Department.

That all these statements were fully discussed between you and I, whilst you were in this country, does not admit of any doubt, confirmed as it is by what you say in your letter now before me.

But I repeat again that all those statements were based upon a gradual change, by slow degrees, allowing of the trucks of all the cars to be changed gradually, and at a small cost, comparatively. That Mr. McEwen's scheme, so suddenly adopted, changed the whole plan—

that to carry it out a very large number of new trucks had to be purchased, at a heavy cost—that his plan required all the cost to be charged to capital at once, instead of, as Mr. Eaton proposed, doing a large part of the work at the cost of revenue—that as soon as his plan reached this country, a statement of the cost of carrying it out was prepared by the officers of each department and sent to you by me—and that having subsequently carefully examined into the matter yourself with Mr. Slater in this country, you reported to the Shareholders, on your return, that the work had all been well done, and at the smallest possible cost.

Before you met the Shareholders, when the McEwen scheme was adopted, you were aware of this clerical error you spoke of, but, as you wrote me at the time, you were afraid to say that the cost would be any greater, lest it should shipwreck the whole scheme. With full knowledge of the facts, you suppressed them from the Shareholders at the time, and subsequently endeavored to throw blame upon an absent man.

I content myself with this statement of facts, without any comment, reserving to myself the right to make any use of the correspondence that I may think desirable or necessary.

I am,

Yours very truly,

(Signed,) C. J. BRYDGES.

RICHARD POTTER, Esq.

OFFICES OF THE GRAND TRUNK RAILWAY COMPANY OF CANADA.

21 Old Broad street,
London, E. C., *July* 21st, 1875.

MY DEAR SIR,

Your favour of the 7th July reached me this morning. I note that you "entirely disagree with my recollection of the facts, and repeat distinctly everything you said in your former letter."

My recollection, however, is supported by Mr. Hickson's and by the correspondence.

The error was not "clerical" but inherent and deep-seated in the calculation.

Three months after you made the miscalculation, you urged upon me that it would cost less to make the change of gauge all at once to Montreal than to make it gradually by slow degrees and by stages.

I never saw Mr. Eaton's letter to you until 12 months afterwards, and though this letter contained a palpable misapprehension in the working out of the details,—in the emergency of the change,—which a little examination and discussion with Mr. Hickson and Mr. Hannaford, the Chief Engineer would have exposed, you appear to have taken a surface view of the subject.

When I received the first intimation of the error it was some time after the arrangements for the new issue had been completed, and the stock sold to Messrs. Grant and McEwen.

I could not, and did not, altogether trust the accuracy of the revised estimates in the face of your October calculation and your repeated representation that the mode of effecting the change at once, as proposed by the

McEwen scheme, would cost the Company less than the mode proposed by yourself in October.

I wrote you asking for further examination.

It certainly does not lie with you to reproach me for believing in your own deliberate and reiterated statements.

Yours faithfully,

(Signed,) RICHARD POTTER.

C. J. BRYDGES, Esq.,

MONTREAL,

CANADA.

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No. 5.

MONTREAL, 13th August, 1875.

My DEAR SIR,

I received in due course your letter of the 21st ult., in reply to mine of the 7th ult..

I regret the necessity for this correspondence, but as you made an uncalled-for and unjust attack upon me in my absence, when you knew I could not answer you at the moment, I have no option but to defend myself.

You are continually shifting your defence.

At the meeting in London, on the 29th April last, you made a distinct statement that a miscalculation had been made in the cost of changing the gauge, and that the error arose from my making up the cost myself, without consultation with the other officers of the Company.

In my letter to you of the 28th May last I exposed the utter falsity of this statement,—showed that the calculations were all based upon the reports of the heads of departments; that these reports were discussed at Council meetings, at which you were present, and that you were just as responsible as I was for the figures.

I further reminded you that you received from me at a later date, when the question was revived, estimates of cost to carry out Mr. McEwen's altered or new scheme, all such estimates being based upon detailed reports made by the head of each department.

I also reminded you that when you received these statements you wrote to me to say that you were afraid to make use of them lest it would shipwreck your plans. And yet you did not hesitate to make an unfounded attack upon me to gain a little temporary popularity and to carry you over a troublesome meeting!

In your letter to me of the 18th June you showed that you had discovered you were in an untenable position, and you completely changed your ground.

Your oral statement on the 29th April was that I had made a mistake, and that it arose from my making all the calculations myself, and without obtaining reports from the responsible officers of each department. In your letter of the 18th June you abandon that ground, and admit that the figures were based upon statements furnished me by Mr. Eaton, the then head of the Locomotive Department.

I reminded you, which you do not deny, in my letter of the 9th July, that I also submitted to you the report and estimate of Mr. Hannaford, the Engineer. So that you now distinctly admit that you had no grounds upon which your statement at the meeting on the 29th April could be founded; the facts being that detailed reports were submitted to you from the heads of the two departments in which the work had to be done; and these reports were all considered at Council meetings at which you were present.

I must also remind you that in the cost of change of gauge, as settled upon in Mr. McEwen's plan, was includ-

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ed a sum of nearly £200,000 for additional cars, which were not provided for in the first estimate of cost. This reduced the difference you spoke of by more than one-half.

You know perfectly well that in making up the first estimate, you desired to see at how small a cost the change could be made, the resources of the Company being so limited.

It was then proposed to effect the change, by a slow and halting process, charging as little as possible to capital, and making revenue bear a large share of the cost.

Mr. McEwen subsequently proposed his plan of raising large amounts of new capital to change the gauge quickly, and to supply large additional quantities of rolling stock.

To carry out that scheme, I gave you estimates of cost which you wrote me you were afraid to make use of when you got them, but which you afterwards reported to the Shareholders, after personal enquiry on the spot, had been well carried out, at the smallest possible cost.

The estimates for the McEwen plan were all before you prior to the work being ordered; they have not been practically varied from, and they were authorized and adopted by yourself and the Board before the expenditure was incurred. They therefore were the only estimates which were acted upon, and they of course cancelled, as you perfectly well knew, all the estimates previously made for doing the work in a different way.

The last page of your letter of the 21st ult. obliges me to recall to your recollection that in the report of March, 1874, signed by you as President, the following passage occurs in reference to my resignation:

"Mr. Brydges has telegraphed to the Board his resig-

"nation of the office of Managing-Director, which the Board have accepted with deep regret, remembering his long, arduous and devoted services to the Company in times of extraordinary difficulty and danger."

And I must further remind you that at your Board meeting, held on the 15th April, 1874, the Minutes of which were sent to me officially, the following resolution was adopted :

*"Resolved,—*That the Directors of the Grand Trunk Railway Company of Canada desire, in recording the resignation of their late colleague, Mr. C. J. Brydges, to reiterate the remarks made by the President at the late Shareholders' Meeting, of deep regret for the separation, and of warm thanks for the valuable aid, &c., &c., to the Executive in Canada, and they beg of Mr. Brydges' acceptance of the sum of £4000 as a testimony of their personal regard and an acknowledgment of past services in times of difficulty, &c., &c."

If you will refer to your own letters written to me about the same time, you will find in them expressions of even greater strength and warmth.

Why, after all this, and the facts as they really exist, you should have thought it consistent with your position as President of the Company to make an unjust and ungenerous attack upon an absent man, will appear to most people as incomprehensible, unnecessary, and unwise as it does to me.

I am,

My dear Sir,

Yours very truly,

(Signed,)

C. J. BRYDGES.

RICHARD POTTER, Esq.

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